

ST 04-0022-GIL 01/26/2004 DELIVERY CHARGES

This letter provides a reference to the Department's regulation on treatment of transportation and delivery charges. See 86 Ill. Adm. Code 130.415. (This is a GIL.)

January 26, 2004

Dear Xxxxx:

This letter is in response to your letter to the Illinois Attorney General's Office regarding the taxation of delivery charges for your Club purchases. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.ILTAX.com to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

I am writing this letter to you on behalf of all Ill. club members of a company known as Club doing business out of CITY/STATE.

As a former business owner for 27 years in Ill. I was told that you did not charge Ill. state sales tax on a service only on the merchandise sold. I have noticed on my invoices from this company that they are charging Ill. state sales tax on their shipping and processing charge. To my knowledge this is a service and should not be taxable, but if it is legal for them to charge sales tax on the shipping and processing charge i would like to know and then i would be satisfied with your ans. on this. And to make sure that this Co. has paid to the STATE OF ILL. all of the sales tax they have collected on this. I am sending a copy of one of my invoices so that you can see what i am talking about.

DEPARTMENT'S RESPONSE:

For your information and reference please find enclosed a copy of the Department's regulation on treatment of transportation and delivery charges under the Retailers' Occupation Tax Act, 86 Ill. Adm. Code 130.415. I am forwarding to our Audit Division a copy of the bill you provided for their review. Because of the State's confidentiality laws, the Department cannot provide you with any information that may be obtained in any audit or investigation of a taxpayer.

I hope this information is helpful. If you require additional information, please visit our website at www.ILTAX.com or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Terry D. Charlton
Associate Counsel

TDC:msk
Enc.